

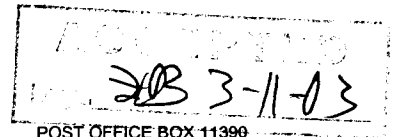
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March 7, 2003

The Honorable Gary E. Walsh
Executive Director
South Carolina Public Service Commission
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210

RE: Wireless Interconnection Agreement Between Farmers Telephone Cooperative, Inc. and Verizon Wireless

Dear Mr. Walsh:

Enclosed for filing please find three (3) hard copies and one (1) electronic copy of the Wireless Agreement Between Farmers Telephone Cooperative, Inc. and Verizon Wireless. This agreement is being submitted to the Commission pursuant to 47 U.S.C. § 252(e).

Please clock in a copy and return it with our courier.

Thank you for your assistance.

Very truly yours,

Margaret M. Fox

Enclosures

cc: R. K. Nesmith

**WIRELESS INTERCONNECTION/COMPENSATION
AGREEMENT**

BETWEEN

FARMERS TELEPHONE COOPERATIVE, INC.

AND

CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS

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I. Article I

1. INTRODUCTION

This Interconnection/Compensation ("Agreement") is effective as of the 1st day of February 2003 (the "Effective Date"), by and between Farmers Telephone Cooperative, Inc. ("Farmers") with offices at 1101 East Main Street, Kingstree, SC 29556 and Cellco Partnership d/b/a Verizon Wireless ("VZW") with offices at 180 Washington Valley Road, Bedminster, NJ 07921, on behalf of the FCC CMRS licensees and markets listed in Attachment A.

2. RECITALS

WHEREAS, Farmers is an incumbent Local Exchange Carrier in the State of South Carolina;

WHEREAS, VZW is a Commercial Mobile Radio Service provider of two-way mobile communications services operating within the state of South Carolina;

WHEREAS, The Parties acknowledge that Farmers is entitled to maintain that it is a rural telephone company (as defined in 47 U.S.C. 153) as provided by 47 U.S.C. 251(f); By entering into this Agreement, Farmers is not waiving its right to maintain that it is a rural telephone company and its right to maintain that it is exempt from Section 251(c) under 47 U.S.C. 251 (f) of the Act;

WHEREAS, Farmers and VZW exchange calls between their networks and wish to establish Interconnection and Compensation arrangements for these calls;

NOW, THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Farmers and VZW hereby agree as follows:

II. Article II

1. DEFINITIONS

Special meanings are given to common words in the telecommunications industry, and coined words and acronyms are common in the custom and usage in the industry. Words used in this contract are to be understood according to the custom and usage of the telecommunications industry, as an exception to the general rule of contract interpretation that words are to be understood in their ordinary and popular sense. In addition to this rule of interpretation, the following terms used in this Agreement shall have the meanings as specified below:

1.1 "Act" means the Communications Act of 1934, as amended.

1.2 "As Defined in the Act", means as specifically defined by the Act, as may be interpreted from time to time by the FCC, the Commission, South Carolina state courts, or federal courts.

1.3 "As Described in the Act" means as described in or required by the Act, as may be interpreted from time to time by the FCC, the Commission, South Carolina state courts, or federal courts.

1.4 "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent. 47 U.S.C. §153(1)

1.5 "Central Office Switch" means a switch used to provide Telecommunications Services, including, but not limited to:

(a) "End Office Switch" is a switch in which the subscriber station loops are terminated for connection to trunks. The subscriber receives terminating, switching, signaling, transmission, and related functions for a defined geographic area by means of an end office switch.

(b) "Remote End Office Switch" is a switch in which the subscriber station loops are terminated. The control equipment providing terminating, switching, signaling, transmission and related functions would reside in a host office. Local switching capabilities may be resident in a remote end office switch.

(c) "Host Office Switch" is a switch with centralized control over the functions of one or more remote end office switches. A host office switch can serve as an end office as well as providing services to other remote end offices requiring terminating, signaling, transmission, and related functions including local switching.

(d) "Tandem Office Switch" is a switching system that establishes trunk-to-trunk connections. Local tandems switch calls from one end office to another within the same geographic area, and access tandems switch traffic from host or end offices to and from an interexchange carrier. A Tandem Office Switch can provide host office or end office switching functions as well as the tandem functions.

A Central Office Switch may also be employed as a combination End Office/Tandem Office Switch.

1.6 "Commercial Mobile Radio Services" or "CMRS" means a radio communication service between mobile stations or receivers and land stations, or by mobile stations communicating among themselves that is provided for profit and that makes interconnected service available to the public or to such classes of eligible users as to be effectively available to a substantial portion of the public. 47 CFR part 20

1.7 "Commission" means the South Carolina Public Service Commission.

1.8 "Extended Area Service" or "EAS" is defined as traffic that originates in one exchange and terminates in another exchange, where the originating and terminating exchanges have an arrangement between them such that a separate toll charge is not applied. The terms EAS and EAS Exchanges are as defined and specified in Farmers' then current General Subscriber Service Tariff.

1.9 "Effective Date" means the date first above written.

1.10 "FCC" means the Federal Communications Commission.

1.11 "Interconnection" for purposes of this Agreement is the linking of Farmers and VZW networks for the exchange of telecommunications traffic described in this Agreement.

1.12 "Interexchange Carrier" or "IXC" means a carrier, other than a CMRS carrier, that provides or carries, directly or indirectly, InterLATA Service or IntraLATA Toll Traffic.

1.13 "InterLATA Service" means telecommunications between a point located in a local access and transport area and a point located outside such area.

1.14 "IntraLATA Toll Traffic," means those intraLATA station calls that are not defined as Local Traffic in this Agreement.

1.15 "Local Exchange Routing Guide" or "LERG" is the Telcordia Technologies reference customarily used to identify NPA-NXX routing and homing information, as well as network element and equipment designation.

1.16 "Local Access and Transport Area" or "LATA" means a contiguous geographic area:

(A) Established before February 8, 1996, by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or

- (B) Established or modified by a Bell operating company after February 8, 1996, and approved by the Commission.

1.17 "Local Service Area" means, for VZW, Major Trading Area Number 6 (Charlotte-Greensboro-Greenville-Raleigh) and for Farmers, its local and non-optional EAS calling areas contained in Farmers' then current General Subscriber Service Tariff.

1.18 "Local Traffic" is defined for purposes of determining compensation under this Agreement as Local Service Area traffic that (a) originates on the network of one Party, (b) may transit a third-party LEC's network pursuant to an agreement between the originating Party and then transiting LEC, in lieu of a direct connection between the Parties, (c) terminates on the network of the other Party, within the same MTA provided that the customer or roamer of VZW is a two-way CMRS customer and receives mobile service on a wireless, mobile basis as described in 47 U.S.C. §153(27). The Parties agree that traffic originating from Farmers and terminating to VZW's NPA/NXX 843/687 rate centered in BellSouth's Florence, SC exchange shall be included as Local Traffic through September 30, 2003.

For purposes of determining the originating and terminating points, at the beginning of the call, for application of Reciprocal Compensation, the origination and termination point for each Party shall be:

- (A) Farmers: The end office serving the calling or called party,
- (B) VZW: The originating or terminating cell site location, which services the calling or called party, at the beginning of the call.

1.19 "Local Exchange Carrier" or "LEC" means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c) of the Act, except to the extent that the Federal Communications Commission finds that such service should be included in the definition of such term. 47 U.S.C. §153(26).

1.20 "Major Trading Area" or "MTA" means the Major Trading Area designated by the FCC.

1.21 "Mobile Station" means a radio-communication station capable of being moved and which ordinarily does move. 47 U.S.C. §153(28)

1.22 "Non-Local Traffic" - All traffic which is not Local Traffic as defined in Section 1.18 hereof is Non-Local Traffic and will not be subject to Reciprocal Compensation.

1.23 "NPA" or the "Number Plan Area" also referred to as an "area code" refers to the three-digit code which precedes the NXX in a dialing sequence and identifies the general calling area within the North American Numbering Plan scope to which a call is to be routed (i.e., NPA/NXX-XXXX.).

1.24 "NXX" means the three-digit code, which appears as the first three digits of a seven-digit telephone number within a valid NPA or area code.

1.25 "Party" means either Farmers or VZW, and "Parties" means Farmers and VZW.

1.26 "Rate Center" means the specific geographic point and corresponding geographic area that are associated with one or more particular NPA/NXX Codes that have been assigned to an ILEC for its provision of Exchange Services.

1.27 "Reciprocal Compensation" means an arrangement between two carriers in which each receives the same compensation rate from the other carrier for the transport and termination on each carrier's network of Local Traffic, as defined in Section 1.18 above, that originates on the network facilities of the other carrier. Compensation, regardless of the Party that receives it, is symmetrical.

1.28 "Telecommunications" means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received. 47 U.S.C. §153(43)

1.30 "Telecommunications Act" means the Communications Act of 1934, as amended.

1.31 "Telecommunications Carrier" means any provider of telecommunications services, except that such term does not include aggregators of telecommunications services (as defined in 47 U.S.C. Section 226(a)(2)). A Telecommunications Carrier shall be treated as a common carrier under this chapter only to the extent that it is engaged in providing telecommunications services, except that the Federal Communications Commission shall determine whether the provision of fixed and mobile satellite service shall be treated as common carriage. 47 U.S.C. §153(44)

1.32 "Telecommunications Services" means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

1.33 "Termination" means the switching of Local Traffic at the terminating carrier's end office switch, or equivalent facility, and delivery of such traffic to the called Party's premises or mobile handset.

1.34 "Transit Traffic" is traffic that originates from one provider's network; "transits" one or more other provider's network substantially unchanged, and terminates to yet another provider's network.

1.35 "Transport" means the transmission and any necessary tandem switching of Local Traffic subject to Section 251(b)(5) of the Act from the interconnection point between the two carriers to the terminating carrier's end office switch that directly serves the called party, or equivalent facility provided by a carrier other than an incumbent LEC.

1.36 "Type 1 Service" often referred to as a line-side trunk connection, is a service that involves interconnection to a telephone company end office. A Type 1 Service is offered in connection with the provision of telephone numbers hosted by a Farmers switch. If available and economically feasible, SS7 functionality will be used.

1.37 "Type 2 Service" often referred to as a trunk side connection, is a service that involves interconnection to a telephone company end office (Type 2-B) or tandem (Type 2-A).

2.0 INTERPRETATION AND CONSTRUCTION

All references to Sections, Exhibits and Schedules shall be deemed to be references to Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. The headings of the Sections and the terms are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require, any reference to any agreement, other instrument or other third party offering, guide or practice, statute, regulation, rule or tariff is for convenience of reference only and is not intended to be a part of or to affect the meaning of a rule or tariff as amended and supplemented from time-to-time (and, in the case of a statute, regulation, rule or tariff, to any successor provision).

3.0 SCOPE

3.1 This Agreement is intended, inter alia, to describe and enable specific Interconnection/Reciprocal Compensation arrangements between the Parties. This Agreement does not obligate either Party to provide arrangements not specifically provided for herein.

3.2 This Agreement relates to exchange of traffic between Farmers and VZW. VZW represents that it is a CMRS provider of telecommunications services to subscribers in MTA No. 6 (Charlotte-Greensboro-Greenville-Raleigh). Additions

or changes to VZW's NPA/NXXs will be as listed in Telcordia's Local Exchange Routing Guide ("LERG") under Operating Company Number ("OCN") 6398.

3.3 This Agreement is limited to traffic of Farmers end user customers for which Farmers has tariff authority to carry. This Agreement is limited to traffic of VZW customers and roamers to which VZW provides service on a two-way wireless, mobile basis. This Agreement covers only traffic of VZW customers that are utilizing a Mobile Station, as defined in the Communication Act of 1934. This Agreement does not cover traffic of VZW customers that are utilizing customer premise equipment for communications over a wireless local loop or quasi-fixed wireless service, even though the customer premise equipment might be transportable in a quasi-mobile application. This Agreement does not cover traffic of VZW on a one-way mobile basis, sometimes called paging service.

3.4 Nothing in this Agreement shall be construed as a waiver by either Party to institute proceedings before the Commission to compel the establishment of interconnection arrangements between VZW and Farmers for wireless local loop or quasi fixed wireless service. If VZW decides to provide such services the Parties agree to negotiate appropriate terms for such interconnection agreement, prior to VZW offering such services. In absence of a mutually acceptable interconnection agreement, either Party may institute proceedings before the appropriate state or federal court, commission, or FCC to compel the establishment of interconnection arrangements between VZW and Farmers for such service, and/or to obtain clarification and/or guidance regarding the appropriate regulations applicable for interconnection and exchange of traffic related to such service.

3.5 Any amendment, modification, or supplement to this Agreement must be in writing and signed by an authorized representative of each Party.

3.6 Traffic that is exchanged through an Interexchange Carrier (IXC) is not covered under this Agreement.

4.0 SERVICE AGREEMENT

Description of Arrangements: This Agreement provides for the following interconnection and arrangements between the networks of Farmers and VZW. Additional arrangements that may be agreed to in the future will be delineated in Attachment B to this Agreement. An NPA/NXX assigned to VZW shall be included in any EAS calling scope, or similar program, to the same extent as any other ILEC's NPA/NXX in the same rate center provided that VZW assigns numbers from such NPA/NXX to customers within the Local Service Area of Farmers and VZW has network facilities to serve such customers. Routing of traffic shall be as described in this section, except that, alternatives may be employed in the event of emergency or temporary equipment failure.

4.1 Type 2B Interconnection at North Kingtree: A two-way trunk group is provided and provisioned between Farmers' North Kingtree Host End Office Switch and VZW's point of presence in the North Kingtree exchange, with the POI designated at Farmers' North Kingtree switch. This trunk group is provisioned in connection with VZW's NPA/NXX(s) rate centered at Farmers' EAS exchange(s). Applicable tariff charges for establishing and provisioning this trunk group are billed by Farmers to VZW as described in 5.4.5 below.

A. Landline to Wireless:

Local Service Area calls from Farmers customers to VZW customers shall be routed from Farmers' North Kingtree Host Office Switch to VZW via the two-way direct trunk group.

B. Wireless to Landline:

Local Service Area calls originated by VZW's customers within MTA No. 6 (Charlotte-Greensboro-Greenville-Raleigh) or customers of another CMRS provider that has entered into roaming arrangement with VZW, while roaming in MTA No. 6, to Farmers customers shall be routed from VZW's network via the two-way direct trunk group to Farmers' North Kingtree Host Office Switch for termination by Farmers to its customers, as appropriate.

4.2 Indirect Traffic to Farmers. To the extent that VZW and other area ILECs have entered into or may enter into contractual arrangements for the delivery of VZW traffic to Farmers' network (i.e. traffic that is not covered elsewhere in this Agreement) for termination to Farmers' customers, Farmers will accept this traffic subject to compensation arrangement as outlined in Section 5 below.

4.3 Transit Traffic: The Parties acknowledge and agree that this Agreement is intended to govern the exchange of traffic to and from the Parties' respective networks only. Traffic that is originated on a network of a non-party Telecommunications Carrier ("Non-Party Carrier") and routed to a Party may be delivered to the other Party's network. In addition, traffic that is originated by a customer or roamer of a Party on that Party's network that is routed to the other Party may be delivered to a Non-Party Carrier. If a Non-Party Carrier objects to the delivery of such traffic, then either Party to this Agreement may request direction from the Commission, FCC, South Carolina state courts or federal courts. The transiting Party will continue to perform transiting functions for the other Party pending ruling from the Commission, FCC, South Carolina state courts or federal courts. The Party performing such transiting function will bill, as specified in Section 5.3 below, the originating carrier (other Party or a Non-Party Carrier) the transiting charge. In order for the other Party or a Non-Party Carrier to bill the originating carrier (a Non-Party or other Party) for charges it is obligated to pay, the Party performing the transiting function will provide, subject

to availability, total minutes of transiting traffic terminating to the terminating carrier (Non-Party Carrier or the other Party). VZW shall not perform a transiting function pursuant to this Agreement. If VZW desires to perform a transiting function, VZW will request an amendment to this Agreement.

5.0 COMPENSATION

5.1 Traffic Subject to Reciprocal Compensation.

Reciprocal compensation is applicable for Transport and Termination of Local Traffic as defined in Section 1.18 and is related to the exchange of traffic described in Sections 4.1, 4.2, and in Attachment B, as applicable.

The symmetrical rate for Reciprocal Compensation shall be \$0.026 per minute.

5.2 Traffic Subject to Access Charges.

Access charges apply to all Non-Local Traffic originated on VZW's network and delivered to Farmers for termination to its customers as described in Sections 4.1, 4.2 and Attachment B, as applicable. VZW shall compensate Farmers at Farmers' applicable access tariff rates for all VZW-originated Non-Local Traffic only to the extent that such VZW-originated Non-Local Traffic is not handed off to an Interexchange Carrier for delivery to Farmers.

5.3 Traffic Subject to Transit Compensation.

As described in Section 4.3, Transit Compensation is applicable to Transit Traffic that originates on one Party's network, traverses the other Party's network, and is terminated on a Non-Party's network.

The rate for Transiting Compensation shall be \$0.00805 per minute.

5.4 Calculation of Payments and Billing.

5.4.1 VZW will compensate Farmers for Local and Non-Local Traffic delivered to Farmers for termination to its customers, as prescribed and at the rates provided in Sections 5.1, 5.2. VZW will also compensate Farmers for Transit Traffic originated by VZW and routed over the two-way direct trunk group for delivery to a Non-Party Carrier as prescribed and at the rate provided in Section 5.3. Farmers will compensate VZW for Local Traffic originated by Farmers customers on Farmers' network and delivered to VZW over the two-way trunk group, for termination to its customers, as prescribed and at the rate provided in Section 5.1.

- 5.4.2 VZW shall prepare a monthly billing statement to Farmers, reflecting the calculation of Reciprocal Compensation due VZW. Farmers shall prepare a monthly billing statement to VZW, which will separately reflect the calculation of Reciprocal Compensation, Access Compensation, Transit Compensation, and total compensation due Farmers
- 5.4.3 Recognizing that Farmers has no way of measuring the Non-Local Traffic, in the event that VZW does not track the usage information required to identify the Non-Local Traffic originated or terminated by Farmers, both Parties agree to use a default factor of 0% as an estimate of Non-Local Traffic. The actual recorded usage shall be the basis for billing, when available and verifiable.
- 5.4.4 Each party may request to inspect, during normal business hours, the records which are the basis for any monthly bill issued by the other Party and to request copies thereof provided that the requested records do not exceed 12 months in age from the date the monthly bill containing said record information was issued.
- 5.4.5 Where dedicated interconnection facilities are used for two-way traffic exchange between the Parties, the charges for such facilities, excluding cost of new construction, provided and billed by Farmers shall be reduced by an agreed upon percentage representing the estimated or actual percentage of traffic exchanged between the Parties over such facilities that originate on Farmers' network by Farmers' customers. This percentage is referred to as the Traffic Factor. The Parties agree to review these percentages on a periodic basis and, if warranted by the actual usage, revise the percentages appropriately. Such revised percentages will be implemented upon written agreement between the Parties, but not earlier than September 30, 2003.
- | | | |
|----|----------------------|-----|
| a) | Landline to Wireless | 20% |
| b) | Wireless to Landline | 80% |

6.0 NOTICE OF CHANGES

If a Party contemplates a change in its network, which it believes will materially affect the inter-operability of its network with the other Party, the Party making the change shall provide at least ninety (90) days advance written notice of such change to the other Party, provided, however, that this provision shall not apply to changes necessitated by emergencies or other circumstances outside the control of the party modifying its network.

7.0 GENERAL RESPONSIBILITIES OF THE PARTIES

7.1 Each Party is individually responsible to provide facilities within its network which are necessary for routing, transporting and, consistent with Section 5, measuring and billing traffic from the other Party's network and for delivering such traffic to the other Party's network in an acceptable industry standard format, and to terminate the traffic it receives in that acceptable industry standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including The National Network Security Plan and The Emergency Preparedness Plan. Neither Party shall use any service related to or use any of the Services provided in this Agreement in any manner that prevents other persons from using their service or destroys the normal quality of service to other carriers or to either Party's customers, and subject to notice and a reasonable opportunity of the offending Party to cure any violation, either Party may discontinue or refuse service if the other Party violates this provision.

7.2 Each Party is solely responsible for the services it provides to its customers and to other Telecommunications Carriers.

7.3 Each Party is responsible for managing NXX codes assigned to it.

7.4 Each Party is responsible for obtaining Local Exchange Routing Guide ("LERG") listings of the Common Language Location Identifier ("CLLI") assigned to its switches.

7.5 Each Party agrees to adhere to the blocking requirements for interconnection (P.01) as provided in Telecordia documentation GR145 - Core Compatibility for Interconnection of a Wireless Services Provider and a Local Exchange Company Network.

7.6 SS7 Out of Band Signaling (CCS/SS7) shall be the signaling of choice for interconnection trunks, where it is technically feasible for both Parties. Use of a third party provider of SS7 trunks, for connecting VZW to the Farmers SS7 systems is permitted. Such connections shall meet generally accepted industry technical standards.

8.0 TERM AND TERMINATION

8.1 Subject to the provisions of Sections 13, the initial term of this Agreement shall be for two years ("Term") which shall commence on the Effective Date. This Agreement shall automatically renew for successive six-month periods, unless, not less than one hundred twenty (120) days prior to the end of the Term or any renewal term, either party notifies the other party of its intent to terminate

this Agreement or renegotiate a new agreement. In the event of such renegotiation, this Agreement shall remain in effect until such time that a new agreement becomes effective.

8.2 The Parties agree that disputed and undisputed amounts due under this Agreement shall be handled as follows:

8.2.1 If any portion of an amount due to a Party (the "Billing Party") under this Agreement is subject to a bona fide dispute between the Parties, the Party billed (the "Non-Paying Party") shall, within thirty (30) days of its receipt of the invoice containing such disputed amount, give written notice to the Billing Party of the amounts it disputes ("Disputed Amounts") and include in such notice the specific details and reasons for disputing each item. The Non-Paying Party shall pay when due all undisputed amounts to the Billing Party. The Parties will work together in good faith to resolve issues relating to the disputed amounts. If the dispute is resolved such that payment is required, the Non-Paying Party shall pay the disputed amounts with interest at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under South Carolina's applicable law. In addition, the Billing Party may cease terminating traffic for the Non-Paying Party after undisputed amounts not paid become more than 90 days past due, provided the Billing Party gives an additional 30 days' written notice and opportunity to cure the default.

8.2.2 Any undisputed amounts not paid when due shall accrue interest from the date such amounts were due at the lesser of (i) one and one-half percent (1-1/2%) per month or (ii) the highest rate of interest that may be charged under South Carolina's applicable law.

8.2.3 Undisputed amounts shall be paid within thirty (30) days of receipt of invoice from the Billing Party.

8.3 Upon termination or expiration of this Agreement in accordance with this Section:

(a) Each Party shall comply immediately with its obligations as set forth in Section 8.2 above;

(b) Each Party shall promptly pay all undisputed amounts (including any late payment charges) owed under this Agreement; and

(c) Each Party's indemnification obligations shall survive termination or expiration of this Agreement.

8.4 Either Party may terminate this Agreement in whole or in part in the event of a default of the other Party, provided, however, that the non-defaulting Party notifies the defaulting Party in writing of the alleged default and the defaulting Party does not correct the alleged default within thirty (30) days after receipt of written notice thereof.

9.0 CANCELLATION CHARGES

Except as provided herein, no cancellation charges shall apply.

10.0 NON-SEVERABILITY

VZW recognizes that Farmers must provision facilities in order to allow for exchange of traffic under this Agreement, and agrees that compensation for establishing and provisioning these facilities is non-severable from provisioning of such facilities.

11.0 INDEMNIFICATION

11.1 Each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party ("Indemnified Party") from and against loss, cost, claim liability, damage, and expense (including reasonable attorney's fees) to customers and other third parties for:

- (1) damage to tangible personal property or for personal injury proximately caused by the negligence or willful misconduct of the Indemnifying Party, its employees, agents or contractors;
- (2) claims for libel, slander, or infringement of copyright arising from the material transmitted over the Indemnified Party's facilities arising from the Indemnifying Party's own communications or the communications of such Indemnifying Party's customers; and
- (3) claims for infringement of patents arising from combining the Indemnified Party's facilities or services with, or the using of the Indemnified Party's services or facilities in connection with, facilities of the Indemnifying Party.

Notwithstanding this indemnification provision or any other provision in the Agreement, neither Party, nor its parent, subsidiaries, affiliates, agents, servants, or employees, shall be liable to the other for Consequential Damages (as defined in Section 12.3).

11.2 The Indemnified Party will notify the Indemnifying Party promptly in writing of any claims, lawsuits, or demands by customers or other third parties for which the Indemnified Party alleges that the Indemnifying Party is responsible under this Section, and, if requested by the Indemnifying Party, will tender the defense of such claim, lawsuit or demand.

(1) In the event the Indemnifying Party does not promptly assume or diligently pursue the defense of the tendered action, then the Indemnified Party may proceed to defend or settle said action and the Indemnifying Party shall hold harmless the Indemnified Party from any loss, cost liability, damage and expense.

(2) In the event the Party otherwise entitled to indemnification from the other elects to decline such indemnification, then the Party making such an election may, at its own expense, assume defense and settlement of the claim, lawsuit or demand.

(3) The Parties will cooperate in every reasonable manner with the defense or settlement of any claim, demand, or lawsuit.

12.0 LIMITATION OF LIABILITY

12.1 No liability shall attach to either Party, its parents, subsidiaries, affiliates, agents, servants, employees, officers, directors, or partners for damages arising from errors, mistakes, omissions, interruptions, or delays in the course of establishing, furnishing, rearranging, moving, terminating, changing, or providing or failing to provide services or facilities (including the obtaining or furnishing of information with respect thereof or with respect to users of the services or facilities) in the absence of gross negligence or willful misconduct.

12.2 Except as otherwise provided in Section 11.0, no Party shall be liable to the other Party for any loss, defect or equipment failure caused by the conduct of the first Party, its agents, servants, contractors or others acting in aid or concert with that Party, except in the case of gross negligence or willful misconduct.

12.3 In no event shall either Party have any liability whatsoever to the other Party for any indirect, special, consequential, incidental or punitive damages, including but not limited to loss of anticipated profits or revenue or other economic loss in connection with or arising from anything said, omitted or done hereunder (collectively, "Consequential Damages"), even if the other Party has been advised of the possibility of such damages.

13.0 REGULATORY APPROVAL

The Parties understand and agree that this Agreement will be filed with the Commission, and to the extent required by FCC rules may thereafter be filed with the FCC. Each Party covenants and agrees to fully support approval of this Agreement by the Commission or the FCC under Section 252(e) of the Act without modification. The Parties, however, reserve the right to seek regulatory relief and otherwise seek redress from each other regarding performance and implementation of this Agreement. In the event the Commission or FCC rejects this Agreement in whole or in part, the Parties agree to meet and negotiate in good faith to arrive at a mutually acceptable modification of the rejected portion(s). Further, this Agreement may be subject to change, modification, or cancellation as may be required by a final order of a regulatory authority or court in the exercise of its lawful jurisdiction.

The Parties agree that their entrance into this Agreement is without prejudice to any positions they may have taken previously, or may take in future, in any legislative, regulatory, judicial or other public forum addressing any matters, including matters related to the same types of arrangements covered in this Agreement.

14.0 CHANGE IN LAW

The Parties acknowledge that the respective rights and obligations of each Party as set forth in this Agreement are based on the text of the Telecommunications Act and the rules and regulations promulgated thereunder by the FCC and the Commission as of the Effective Date ("Applicable Rules"). In the event of any amendment to the Telecommunications Act, any effective legislative action or any effective, final regulatory or judicial order, rule, regulation, arbitration award, dispute resolution procedures under this Agreement or other legal action purporting to apply the provisions of the Telecommunications Act to the Parties or in which the FCC or the Commission makes a generic determination that is generally applicable which revises, modifies or reverses the Applicable Rules (individually and collectively, Amended Rules), either Party may, to the extent permitted or required, by providing written notice to the other party, require that the affected provisions of this Agreement be renegotiated in good faith and this Agreement shall be amended accordingly to reflect the pricing, terms and conditions of each such Amended Rules relating to any of the provisions in this Agreement.

15.0 MOST FAVORED NATION PROVISION

In accordance with Section 252(i) of the Act, VZW shall be entitled to obtain from Farmers any Interconnection/Compensation arrangement provided by Farmers to any other CMRS provider that has been filed and approved by the Commission, for services described in such agreement, on the same terms and conditions.

16.0 MISCELLANEOUS

16.1 Authorization

16.1.1 Farmers Telephone Cooperative is a corporation duly organized, validly existing and in good standing under the laws of the State of South Carolina and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

16.1.2 VZW is a general partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder, subject to any necessary regulatory approval.

16.2 Compliance. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations applicable to its performance under this Agreement.

16.3 Independent Contractors. Neither this Agreement, nor any actions taken by VZW or Farmers in compliance with this Agreement, shall be deemed to create an agency or joint venture relationship between VZW and Farmers, or any relationship other than that of co-carriers. Neither this Agreement, nor any actions taken by VZW or Farmers in compliance with this Agreement, shall create a contractual, agency, or any other type of relationship or third party liability between VZW and Farmers end users or others.

16.4 Force Majeure. Neither Party shall be liable for any delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence including, without limitation, acts of nature, acts of civil or military authority, government regulations, embargoes, epidemics, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, equipment failure, power blackouts, volcanic action, other major environmental disturbances, unusually severe weather conditions, inability to secure products or services of other persons or transportation facilities or acts or omissions of transportation carriers (collectively, a "Force Majeure Event"). If any Force Majeure condition occurs, the Party delayed or unable to perform shall give immediate notice to the other Party and shall take all reasonable steps to

correct the Force Majeure condition. During the pendency of the Force Majeure, the duties of the Parties under this Agreement affected by the Force Majeure condition shall be abated and shall resume without liability thereafter.

16.5 Confidentiality

- 16.5.1 Any information such as specifications, drawings, sketches, business information, forecasts, models, samples, data, computer programs and other software and documentation of one Party (a Disclosing Party) that is furnished or made available or otherwise disclosed to the other Party or any of its employees, contractors, or agents (its "Representatives" and with a Party, a "Receiving Party") pursuant to this Agreement ("Proprietary Information") shall be deemed the property of the Disclosing Party. Proprietary Information, if written, shall be clearly and conspicuously marked "Confidential" or "Proprietary" or other similar notice, and, if oral or visual, shall be confirmed in writing as confidential by the Disclosing Party to the Receiving Party within ten (10) days after disclosure. Unless Proprietary Information was previously known by the Receiving Party free of any obligation to keep it confidential, or has been or is subsequently made public by an act not attributable to the Receiving Party, or is explicitly agreed in writing not to be regarded as confidential, such information: (i) shall be held in confidence by each Receiving Party; (ii) shall be disclosed to only those persons who have a need for it in connection with the provision of services required to fulfill this Agreement and shall be used by those persons only for such purposes; and (iii) may be used for other purposes only upon such terms and conditions as may be mutually agreed to in advance of such use in writing by the Parties. Notwithstanding the foregoing sentence, a Receiving Party shall be entitled to disclose or provide Proprietary Information as required by any governmental authority or applicable law, upon advice of counsel, only in accordance with Section 16.5.2 of this Agreement.
- 16.5.2 If any Receiving Party is required by any governmental authority or by applicable law to disclose any Proprietary Information, then such Receiving Party shall provide the Disclosing Party with written notice of such requirement as soon as possible and prior to such disclosure. The Disclosing Party may then seek appropriate protective relief from all or part of such requirement. The Receiving Party shall use all commercially reasonable efforts to cooperate with the Disclosing Party in attempting to obtain any protective relief which such Disclosing Party chooses to obtain.
- 16.5.3 In the event of the expiration or termination of this Agreement for any reason whatsoever, each Party shall return to the other Party or destroy all Proprietary Information and other documents, work papers and other

material (including all copies thereof) obtained from the other Party in connection with this Agreement and shall use all reasonable efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information, unless such information is now, or is hereafter disclosed, through no act, omission or fault of such Party, in any manner making it available to the general public.

16.6 Governing Law. This Agreement shall be governed by the domestic laws of the State of South Carolina without reference to conflict of law provisions. Notwithstanding the foregoing, the Parties may seek resolution of disputes under this Agreement by the FCC, the Commission, or the South Carolina state court, or federal court, as appropriate.

16.7 Taxes. Each Party purchasing services hereunder shall pay or otherwise be responsible for all federal, state, or local sales, use, excise, gross receipts, transaction or similar taxes, fees or surcharges levied against or upon such purchasing Party (or the providing Party when such providing Party is permitted to pass along to the purchasing Party such taxes, fees or surcharges), except for any tax on either Party's corporate existence, status or income. Whenever possible, these amounts shall be billed as a separate item on the invoice. To the extent a sale is claimed to be for resale tax exemption, the purchasing Party shall furnish the providing Party a proper resale tax exemption certificate as authorized or required by statute or regulation by the jurisdiction providing said resale tax exemption. Failure to timely provide such sale for resale tax exemption certificate will result in no exemption being available to the purchasing Party.

16.8 Assignment. This Agreement shall be binding upon the Parties and shall continue to be binding upon all such entities regardless of any subsequent change in their ownership. Each Party covenants that, if it sells or otherwise transfers to a third party, unless the Party which is not the subject of the sale or transfer reasonably determines that the legal structure of the transfer vitiates any such need, it will require as a condition of such transfer that the transferee agree to be bound by this Agreement with respect to services provided over the transferred facilities. Except as provided in this paragraph, neither Party may assign or transfer (whether by operation of law or otherwise) this Agreement (or any rights or obligations hereunder) to a third party without the prior written consent of the other Party which consent will not be unreasonably withheld; provided that either Party may assign this Agreement to a corporate Affiliate or an entity acquiring all or substantially all of its assets or equity by providing prior written notice to the other Party of such assignment or transfer. Any attempted assignment or transfer that is not permitted is void *ab initio*. Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the Parties' respective successors and assigns.

16.9 Non-Waiver. Failure of either Party to insist on performance of any term or condition of this Agreement or to exercise any right or privilege hereunder shall not be construed as a continuing or future waiver of such term, condition, right or privilege.

16.10 Notices. Notices given by one Party to the other Party under this Agreement shall be in writing and shall be: (i) delivered personally; (ii) delivered by express delivery service; or (iii) mailed, certified mail, return receipt to the following addresses of the Parties:

To: **VZW**

To: **Farmers**

| | |
|---|--|
| Verizon Wireless One Verizon Place Alpharetta, GA 30004 Attn: Director – Wireline Interconnection | Farmers Telephone Cooperative, Inc. 1101 East Main Street Kingstree, SC 29556 Attention: J.L. McDaniel Chief Executive Officer |
| With a copy to: Verizon Wireless 1300 I Street, NW Suite 400 Washington, DC 20005 Attn: Director of Regulatory, Interconnection | |

Or to such other address as either Party shall designate by proper notice. Notices will be deemed given as of the earlier of: (i) the date of actual receipt; (ii) the next business day when notice is sent via express mail or personal delivery; or (iii) three (3) days after mailing in the case of certified U.S. mail.

16.11 Publicity and Use of Trademarks or Service Marks. Neither Party nor its subcontractors or agents shall use the other Party's trademarks, service marks, logos or other proprietary trade dress in any advertising, press releases, publicity matters or other promotional materials without such Party's prior written consent.

16.12 Joint Work Product. This Agreement is the joint work product of the Parties and has been negotiated by the Parties and their respective counsel and shall be fairly interpreted in accordance with its terms. In the event of any ambiguities, no inferences shall be drawn against either Party.

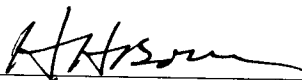
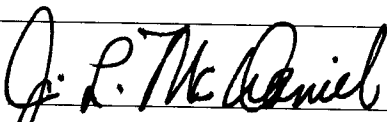
16.13 No Third Party Beneficiaries; Disclaimer of Agency. This Agreement is for the sole benefit of the Parties and their permitted assigns, and nothing herein expressed or implied shall create or be construed to create any third-party beneficiary rights hereunder. Except for provisions herein expressly authorizing a Party to act for another, nothing in this Agreement shall constitute a party as a legal representative or agent of the other Party; nor shall a Party have the right or authority to assume, create or incur any liability or any obligation of any kind, express or implied, against, in the name of, or on behalf of the other Party, unless otherwise expressly permitted by such other Party. Except as otherwise expressly provided in this Agreement, no party undertakes to perform any obligation of the other Party, whether regulatory or contractual, or to assume any responsibility for the management of the other Party's business.

16.14 No License. No license under patents, copyrights, or any other intellectual property right (other than the limited license to use consistent with the terms, conditions and restrictions of this Agreement) is granted by either Party, or shall be implied or arise by estoppel with respect to any transactions contemplated under this Agreement.

16.15 Technology Upgrades. Nothing in this Agreement shall limit either Parties' ability to upgrade its network through the incorporation of new equipment, new software or otherwise, provided it is to industry standards, and that the Party initiating the upgrade shall provide the other Party written notice at least ninety (90) days prior to the incorporation of any such upgrade in its network which will materially impact the other Party's service. Each Party shall be solely responsible for the cost and effort of accommodating such changes in its own network.

16.16 Entire Agreement. The terms contained in this Agreement and any Schedules, Exhibits, tariffs and other documents or instruments referred to herein are hereby incorporated into this Agreement by reference as if set forth fully herein, and constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding all prior understandings, proposals and other communications, oral or written. Neither Party shall be bound by any preprinted terms additional to or different from those in this Agreement that may appear subsequently in the other Party's form documents, purchase orders, quotations, acknowledgments, invoices or other communications. This Agreement may only be modified by a writing signed by an officer of each Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the dates listed below.

| Cellco Partnership d/b/a Verizon Wireless | Farmers Telephone Cooperative, Inc. |
|--|--|
| By: <u></u> | By: <u></u> |
| Name: <u>Howard H. Bowen</u> | Name: <u>J. L. McDaniel</u> |
| Title: <u>Area VP. Network</u> | Title: <u>CEO</u> |
| Date: <u>2/24/03</u> | Date: <u>2-10-03</u> |

Attachment A

Licensee

Cellco Partnership
Cellco Partnership
Cellco Partnership
Cellco Partnership
Cellco Partnership

Market Name

Florence, SC MSA
South Carolina 6-Clarendon
BTA 72 (Charleston, SC)
BTA 147 (Florence, SC)
BTA 436 (Sumter, SC)

Attachment B

Reserved for Future Use.